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BOOK REVIEW

RELENTLESS: THE FORENSICS OF MOBSTERS' BUSINESS PRACTICES

by Jerold L. Zimmerman | Daniel P. Forrester

Willowcraft Publishing (2021), vii + 261 pp. ISBN: 978-1-7348371-0-0 (pb, £11.57); 978-1-7348371-1-7 (e-book, £5.79).

Jeff Bezos initially considered naming his online book shop Relentless before settling on Amazon (typing www.relentless.com in a web browser will still lead you to www.amazon.com) and has since often attributed his company's success to a relentless focus on customer satisfaction. "I am just a businessman, giving the people what they want," Al Capone is alleged to have similarly remarked. Supply and demand, profit and loss. Business is business, right? Organized crime syndicates trade in disreputable goods and services, and resort to violence to achieve their ends, but they still operate as if implementing the principles taught at business schools.

Frank Lucas's lean supply chain management and attention to brand image in Ridley Scott's *American Gangster* seem to come out of an MBA playbook. And classic lines from Francis Ford Coppola's *The Godfather*, such as Don Vito Corleone's "I'm gonna make him an offer he can't refuse," or his son's Michael Corleone's "It's not personal, it's strictly business," would not be out of place in films like *The Founder*, John Lee Hancock's biopic about the man behind McDonald's, or David Fincher's *The Social Network*, which portrays the rise of Facebook. Alex Godman, the Harvard Business School graduate who initially distances himself from his family's Russian mob connections only to emerge as a global kingpin in BBC's *McMafia*, certainly puts these principles to good use.

Jerrold Zimmerman, an Emeritus Professor at the University of Rochester's Simon School of Business, and Daniel Forrester, a Rochester MBA graduate turned top-level management consultant, are not the first to note the similarities between lawful and unlawful organizations, and their book, *Relentless: The Forensics of Mobsters' Business Practices*, is not the first study of organized crime using the principles of microeconomics. But it is perhaps the only book targeting primarily c-level executives, directors, and leaders of small and large for-profit and nonprofits to argue that lawful managers can learn from the way blood-stained villains unwittingly apply core economic principles to create enduring organizations that can thrive in constantly changing environments, despite substantial efforts (by rivals and law enforcement) directed at their demise.

An organization's performance and long-run survival, Zimmerman and Forrester argue in the opening two chapters, depend on how it solves the "Strategy-Incentive-Alignment Problem": given external factors (such as technology, market competition, government regulation or taxation), organizations must define a sustainably profitable strategy and engineer the "Four Pillars" that channel the behavior of their self-interested members in the service of that strategy. Specifically, organizations must assign employees decision-making

authority over the tasks they are best suited for (Task Assignment Pillar). They must have mechanisms measuring and rewarding or punishing performance (Performance Measurement and Performance Reward/Punishment Pillars). And they must nurture the values and norms that attract and retain the right people (Corporate Culture Pillar).

The following five chapters rely on various sources (gangster autobiographies, documentaries, newspaper articles, an interview with a prosecutor, some secondary literature on organized crime) to show how these principles play out in criminal outfits as diverse as the American Mafia, the Mexican Sinaloa Cartel, the infamous biker gang Hells Angels, and the street gangs founded in Los Angeles known as the Crips and the Bloods. The analysis reveals some common organizational characteristics. All four underworld groups enlist the right people while rapidly rectifying recruitment mistakes. They assemble high-performance teams and eliminate dysfunctional conflict, build and safeguard strong brands, and cultivate enduring identities. Above all, they are customer-focused and market-obsessed, displaying a relentless ability to seize new business opportunities. These insights are brought together in the final chapter that offers lawful managers a roadmap for success.

Contrary to the management guru advice genre, which keeps coming up with fads like “one-minute management” or “360-degree management,” *Relentless* does not offer a laundry list of elixirs or one-size-fits-all recipes. Instead, it forcefully argues that some of the most influential research in economics – suggested readings include Adam Smith and classic works in the theory of the firm by Ronald Coase, Armen Alchian, Harold Demsetz, Michael Jensen, William Meckling, Eugene Fama, Oliver Hart, Bengt Holmström, Paul Milgrom, and Oliver Williamson – points to mutually reinforcing components of performance which combine in distinct, organization-specific ways. Properly matching the Four Pillars does not guarantee success, Zimmerman and Forrester warn, but a poorly constructed set can limit an organization’s potential or even destroy it.

Relentless reveals the economic forces at work in any organization, legal or illegal, but it is not an academic work, written for an academic audience. Although its intended audience may not recognize it as such, the book is a nice application of the economics-based approach to executive education pioneered in the 1970s at Rochester by Jensen and Meckling. At the heart of the Rochester approach (the most famous component of which is agency theory) is the view that people are self-interested, evaluative and maximizing, from which follows the principle that both decision rights assignments and performance measurement and rewards matter a great deal. Zimmerman's successful MBA textbook, *Managerial Economics and Organizational Architecture* (co-authored with James Brickley and Clifford Smith), now in its seventh edition, expands on these ideas. With its references to familiar mobster movies and series, *Relentless* distils them in an easily digestible and entertaining form.

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